

## Education Cabinet

# Kentucky's jobless rate increases to 8.1 percent in May 2013

**Press Release Date:** Thursday, June 20, 2013

### Contact Information:

**FRANKFORT, Ky. (June 20, 2013)** — Kentucky's seasonally adjusted preliminary unemployment rate rose to 8.1 percent in May from 7.9 percent in April 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary May 2013 jobless rate was .2 percentage points below the 8.3 percent rate recorded for the state in May 2012.

The U.S. seasonally adjusted jobless rate increased to 7.6 percent in May 2013 from 7.5 percent in April 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In May 2013, Kentucky's civilian labor force was 2,096,812, an increase of 3,810 individuals compared to the previous month. Employment dropped by 416, while the number of unemployed people rose by 4,226.

"The Kentucky labor market has softened, but hasn't lost momentum," said economist Manoj Shanker of the OET. "Unfortunately, not all of the new entrants into the labor force were able to find jobs in May, causing the unemployment rate to rise slightly."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment rose by 3,800 jobs to 1,838,900 in May 2013 from the previous month. On an over-the-year basis, the state's nonfarm employment has added 14,800 jobs.

"Kentucky is adding jobs but the pace has slowed. The primary reason is that export-driven demand has fallen as Europe and Asia struggle with their own economies," Shanker said.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, five of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while four declined and two remained unchanged.

Kentucky's trade, transportation and utilities sector jumped by 3,700 jobs in May 2013. This is the largest sector in Kentucky with 377,500 positions, and accounts for about 20 percent of nonfarm employment. Since May 2012, jobs in this sector have increased by 7,100.

“More than half of the jobs added in this sector were in retail trade. Consumers in Kentucky are confident about their job prospects and it translates into an increase in retail trade employment,” said Shanker.

The state’s professional and business services sector expanded by 3,500 jobs in May 2013. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last May, jobs in the sector have increased by 5,100.

The financial activities sector gained 600 jobs in May 2013. Compared to May a year ago, businesses involved in finance, insurance, real estate and property leasing have increased by 2,000 jobs.

The information sector added 300 jobs in May 2013. This segment has declined by 1,200 positions since May 2012. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The government sector, which includes public education, public administration agencies and state-owned hospitals, increased by 100 jobs in May 2013. The sector had 200 fewer jobs compared to May 2012.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, remained unchanged from April 2013 to May 2013. Compared to a year ago, there has been a loss of 2,800 jobs.

Employment in the mining and logging sector was flat from April 2013 to May 2013. The number of jobs in this sector has declined by 2,700 or nearly 13 percent since last May.

Kentucky’s leisure and hospitality sector lost 500 jobs in May 2013. Since May 2012, the sector has jumped by 3,500 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

The educational and health services sector dropped by 900 positions in May 2013. The sector has posted an increase of 1,000 jobs since May 2012.

The state’s manufacturing sector fell by 1,300 positions in May 2013. Since May 2012, employment in manufacturing has shot up by 6,000 jobs.

“The current drop in manufacturing is in the area of nondurable goods, which includes food processing as well as plastics and petroleum products. The more dominant durable goods subsector has expanded considerably in response to domestic demand for Kentucky made automobiles and machinery,” said Shanker.

The construction sector decreased by 1,700 positions in May 2013 from a month ago. Since May 2012, employment in construction has dropped by 3,000 jobs.

“Construction employment in Kentucky has declined for seven of the last 12 months. Even historically low interest rates haven’t been able to spur construction jobs in Kentucky,” said Shanker.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at [www.kylmi.ky.gov](http://www.kylmi.ky.gov).